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WEEKLY SUMMARY

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The WEEKLY SUMMARY, issued every Friday morning by the Office of Current Intelligence, reports and analyzes significant developments of the week through noon on Thursday. It frequently includes material coordinated with or prepared by the Office of Economic Research, the Office of Strategic Research, and the Directorate of Science and Technology. Topics requiring more comprehensive treatment and therefore published separately as Special Reports are listed in the contents pages.

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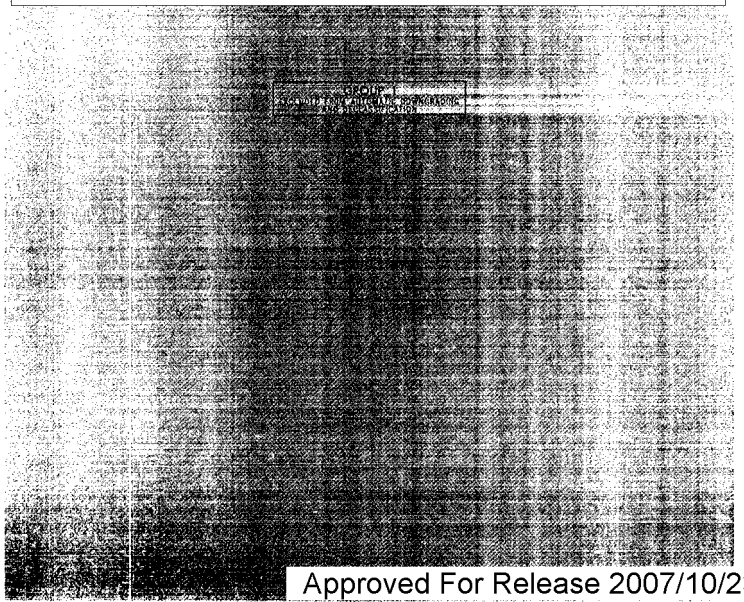

CONTENTS *(26 May 1972)*

AT THE SUMMIT: STRESS ON SUBSTANCE

The summit in its first four days has produced five bilateral agreements and many hours of dialogue between President Nixon and Soviet party chief Brezhnev.

On 23 May, the President and Soviet President Podgorny initialed a five-year environmental protection agreement that provides for an exchange of scientists and data to resolve problems of air and water pollution. The same day, Secretary Rogers and Soviet Minister of Health Petrovsky signed a five-year agreement under which the US and USSR will work together on research in cancer, heart disease, and environmental health.

Two more agreements were signed on 24 May. The space cooperation agreement, among its other provisions, gives the go-ahead for three US astronauts and three Soviet cosmonauts to make a docking in space in June 1975. The second accord, on scientific and technical cooperation, provides for exchanges of scientists and information as well as joint development and implementation of scientific programs and projects. Agreement on guidelines to prevent incidents at sea between US and Soviet naval ships and aircraft was initialed on 25 May.

Meanwhile, the President and Brezhnev have agreed on a communique concerning commercial relations. It calls for establishment of a joint US-Soviet commercial commission, the first session of which is to be held in Moscow this July. The commission will negotiate an over-all trade agreement to include three reciprocal arrangements: most-favored-nation treatment, availability of government credits, and business facilities to promote trade. One other major undertaking at the summit, an agreement limiting strategic weapons, is being negotiated down to the wire.

In addition to the conclusion of concrete agreements, discussions are being carried out on a broad range of international problems. Brezhnev told a ranking Western diplomat in Moscow on 20 May that he wished to raise Vietnam and the Middle East with the President; they were, Brezhnev asserted, "hotbeds of war that should be eliminated." The President's press secretary on 24 May said Vietnam had been discussed. According to Soviet press spokesmen, discussions on European affairs on 24 May touched on the West German treaty with the USSR, the Berlin agreement, and a conference on European security.

Enjoying a fresh mandate from the Communist Party central committee, Brezhnev has from the outset taken the leading role in substantive discussions with the President. Nevertheless, Brezhnev's solo encounters with President Nixon have been balanced with meetings that have included Premier Kosygin and President Podgorny. Moreover, the collective leadership has appeared in force several times. All 12 Moscow-based politburo members attended the Kremlin dinner for the President on Monday night—an unprecedented turnout for a non-Communist head of state. This not only underscores the importance of the visit, but also presents an image of unanimity and collectivity. It is also good politics on Brezhnev's part.

The President will visit Leningrad on 27 May, return to Moscow on the 28th, and go to Kiev the day after. He will leave the Soviet Union on 30 May for Iran, Poland, and home.

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USSR: GAINS FOR BREZHNEV

The dilemma for Moscow posed by recent US actions in Indochina had quick political repercussions. The first of these emerged from a surprise central committee plenum on 19 May, as a renewed mandate for Brezhnev's detente policy and a serious setback for his opponents.

Politburo grumbling on detente with West Germany and improvement of relations with the US had been simmering for some time. Politburo member Shelest was the most vocal. President Nixon's announcement on 8 May increased political tension in the leadership by highlighting a potential disadvantage of detente with the west. Soviet power and prestige as well as relations with socialist allies were threatened at the same time that West German ratification of the Soviet and Polish treaties, cornerstones of detente, was still in doubt.

Brezhnev and his foreign policy supporters apparently managed to pacify any politburo impulse to react at once by canceling the summit or reacting strongly in Southeast Asia, perhaps by promising a final reassessment just before the President's visit. Early official Soviet reaction to US Indochina actions, including the official statement on 11 May, was temperate and kept Soviet options open. The highly unusual plenum of 19 May may not have been called entirely at Brezhnev's initiative, but he could have sensed an opportunity to clip his opponents' wings. In any case, convening of a plenum on the eve of the summit suggests that Brezhnev considered the renewal and broadening of the party mandate for his foreign policy highly prudent insurance in a risky situation. He was probably also concerned about the potential for future damaging

Petr Shelest

domestic criticism of his leadership. Plenums normally ratify rather than make key policy decisions and are usually separated from major events by respectable intervals. The last plenum, held in November 1971, had already given its support to the general line on detente.

In all events, Brezhnev apparently succeeded in dominating the plenum's central business. The eight speakers on the first order of business, Brezhnev's report, "On the International Situation," included three certain and two probable supporters of his, including Defense Minister Grechko. This weighting of the speakers suggests the debate was arranged to ensure unanimous approval of Brezhnev's foreign policy.

The plenum promoted Boris Ponomarev to politburo candidate membership. A long-time party secretary and head of the central committee's international department, which handles relations with parties and countries outside the bloc, Ponomarev had also long been in line for politburo membership. He is believed to be a protege of Suslov, the senior and politically independent party ideologist and foreign affairs expert. Suslov, provided the party's ideological justification of detente as early as March 1969. Ponomarev's policy views appear generally moderate.

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The dilemma for Soviet relations with socialist allies posed by President Nixon's announcement of 8 May would have been a particularly acute one for Suslov and Ponomarev. Ponomarev's promotion may thus have been related to their continued acceptance of the summit.

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Detente critic Shelest was appointed to a relatively unimportant post as one of nine deputy chairmen of the USSR Council of Ministers on the same day as the plenum. The timing strongly suggested he lost out in the foreign policy debate and that Brezhnev was thus able to engineer his political demotion.

This rapidly became a certainty on 25 May, when a Ukrainian party plenum ousted Shelest from his first secretary job and power base there. The plenum in Kiev named Brezhnev's protege, Ukrainian premier Shcherbitsky, to replace him as first secretary. Shelest may retain his CPSU politburo seat, however.

The plenum also heard a report on an exchange of party cards and approved postponing it until 1973-74. Brezhnev had proposed the exchange in March 1971. Concern over who would control an exchange is probably one reason the issue has been controversial. Postponement of the exchange may help to reassure party rank and file anxious about how rigorous the weeding out would be. So will assurances of significant local party participation in the exchange.

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INDOCHINA

KONTUM AND HUE UNDER ATTACK

After a week of sharp but inconclusive fighting on the three major battlefields in South Vietnam, the North Vietnamese mounted a heavy attack on Kontum City in the central highlands on 25 May. Enemy sappers entered the city but they apparently were beaten off.

Communist forces had been edging toward the city all week. Heavy enemy artillery fire began late on 24 May, presaging the ground attack the next morning.

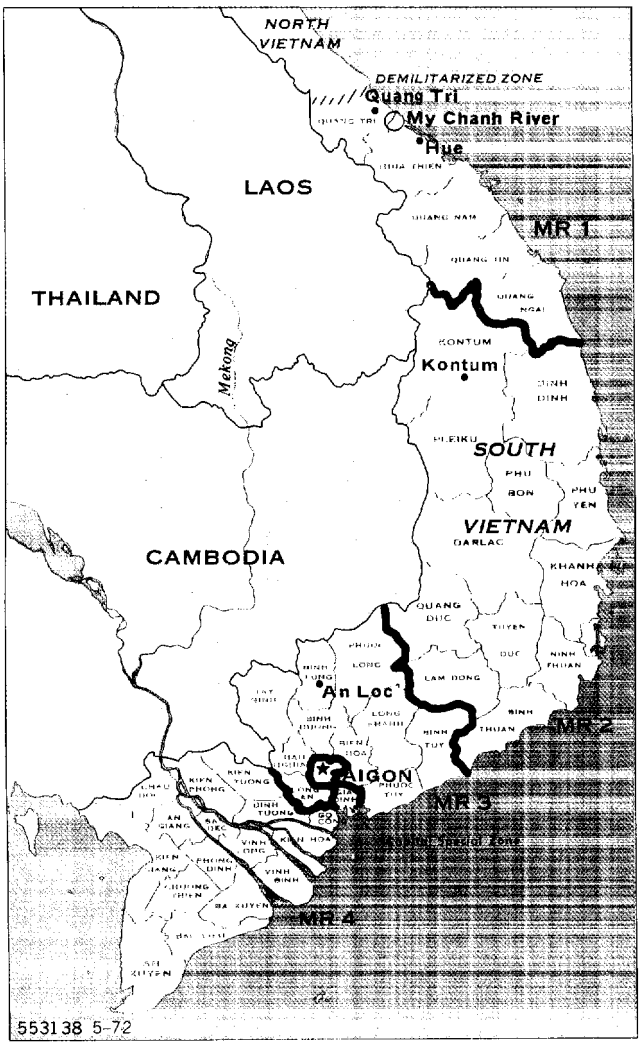
North of Hue, the North Vietnamese mounted several attacks on South Vietnamese defensive positions along the My Chanh River. Saigon's forces pulled back at first, but by the middle of the week they had regained control of the territory south of the river. The attacks did not have the earmarks of a full-blown assault aimed at Hue. Rather, they appeared to be spoiling operations designed to keep the South Vietnamese on the defensive.

On 23 May, the South Vietnamese mounted a spoiling operation of their own. Three battalions of South Vietnamese Marines moved into Quang Tri Province: one made an amphibious landing east of Quang Tri City, another was airlifted to a point northeast of the city, and a third pushed up from the south. All three were to move

back toward the Quang Tri - Thua Thien provincial border in an effort to disrupt Communist preparations for further offensive action.

The Situation at An Loc

At An Loc, the Communist 5th, 7th, and 9th divisions have all suffered heavy losses in over a month of campaigning, and their pressure may be easing. The South Vietnamese force pushing up Route 13 has progressed a few miles, but on 25 May it still had not reached the town.



The Communists evidently hoped they could capture An Loc quickly and then move into Binh Duong Province, thereby opening the northern end of the Saigon River corridor. Other Communist forces to the south apparently were to isolate Tay Ninh Province, and the campaign was to culminate in a concerted push toward Saigon. The resistance at An Loc disrupted these plans and inflicted heavy losses on the Communists. The evidence indicates that the 5th, 7th, and 9th dvisions have all been badly weakened, and damage to enemy armor units has been extensive. The Communists retain a fairly formidable sapper capability in this region, however, and some individual infantry regiments still appear to be in good shape. In the past, moreover, battered Communist units have demonstrated a capacity for quick recuperation.

The South Vietnamese performance in and around An Loc has been mixed. Government troops often performed well in the town itself, partly because they had no escape. Other critical factors in An Loc's successful defense were the massive use of allied air power and the activities of US advisers.

In other parts of South Vietnam, there was relatively little activity. Communist forces mounted unsuccessful challenges to government control of district towns in widely scattered parts of the country.

Economic Slowdown in the South

A gradually deepening business recession and the difficulties of feeding over 700,000 refugees remain the economic problems of greatest concern in South Vietnam. Although the present lull in the North Vietnamese offensive has permitted generally stable economic conditions, most consumers are buying only necessities and holding cash for use if the military situation worsens. Prices remain quite steady. Reflecting the slowdown, import orders are still far below normal.

The food situation is tight, but not critical. An estimated 200,000 tons of rice (three percent of total production) have been lost from this year's crop so far. A small shipload of US PL-480 rice was diverted from Indonesia and is now being unloaded at Saigon, but further deliveries from abroad are not expected until mid-June. Unless there is an increase in rice deliveries from the delta, where farmers have been holding out for higher prices, a serious shortage could develop in the next month in the rice-deficit northern areas where most of the refugees are located.

Business activity in Saigon has slowed to a crawl, with most enterprises reporting sharply reduced sales and production in April. Many smaller firms have closed, while large firms appear to be operating at half capacity or less. If demand does not pick up, an inventory-credit squeeze could develop soon. To alleviate this situation, the government has announced measures to ease credit, including special rediscount privileges for manufacturers' inventories. The government also is increasing consumer taxes, issuing a special series of war bonds, and reviving a 1968 war-risk insurance plan. If implemented effectively, the latter measure could encourage more private deliveries of commodities to deficit areas in the northern part of the country.

THE SOVIET PRESS ON VIETNAM

Soviet media coverage of developments in Indochina has fallen off markedly since late last week. The last significant commentary on Vietnam appeared on 21 May. A *Pravda* editorial on that day contained a reaffirmation of support for Vietnam, and an accompanying article noted that any improvement in Soviet-US relations "would not be at the expense of any third countries or peoples." The Soviets have ignored recent North Vietnamese statements denouncing President Nixon for "sowing disunity in the socialist camp." Likewise, Moscow has given no coverage to North Vietnamese criticism of attempts by British and "certain Western circles" to internationalize the Vietnam issue.

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A STICK AND A CARROT FOR MOSCOW

As President Nixon's visit to the USSR approached, North Vietnamese editorialists mixed warnings with compliments in an effort to wring more vocal support from Hanoi's allies abroad. A "Commentator" article in the army daily on 21 May, for instance, directed a stream of invective at the President that was clearly designed to make his hosts as uncomfortable as possible. On the same day, the party newspaper took a completely different line, expressing Hanoi's profound gratitude for the support of its allies—specifically including the Soviet Union. The party paper also noted pointedly that the regime had awarded posthumous citations to Soviet sailors allegedly killed in US air strikes. In its public commentary and in private contacts with the US, Moscow has never mentioned any Soviet casualties.

Although the most fervid North Vietnamese rhetoric has been triggered by the summits, Hanoi's worries are much broader. The North Vietnamese are, in fact, concerned over the prospect of a reduction in the tensions of the cold war—tensions they have relied on to keep the flow of support coming from their Communist patrons. As the North Vietnamese themselves put it, their position at the "forefront of the socialist revolution" imposes inescapable obligations on the Soviets and Chinese to aid their Vietnamese comrades-in-arms. Hanoi obviously sees in Moscow's and Peking's dealings with the US a threat to this fundamental notion of socialist solidarity against the "imperialists." To the North Vietnamese, detente connotes a reduction in at least Soviet and Chinese political backing.

North Vietnam's concern on this score is reflected in an article in the April issue of the party theoretical journal. It claims that current negotiations between the US and the two big Communist powers, not to mention the accompanying "relaxation of world tensions," are

possible only because of discord within the socialist camp. The article concludes that only the Vietnam struggle has kept the US from exploiting these problems to the limit. What the author seems to be saying is that the Vietnamese Communists have singlehandedly saved the Communist world from the ravages of US "imperialism." The implication is that all socialist countries—and specifically the Soviet Union and China—are deeply in Hanoi's debt and, indeed, that the Vietnamese Communists have hewed more closely to the pure Marxist-Leninist line than have their big patrons.

LAOS: ROCKING THE BOAT, GENTLY

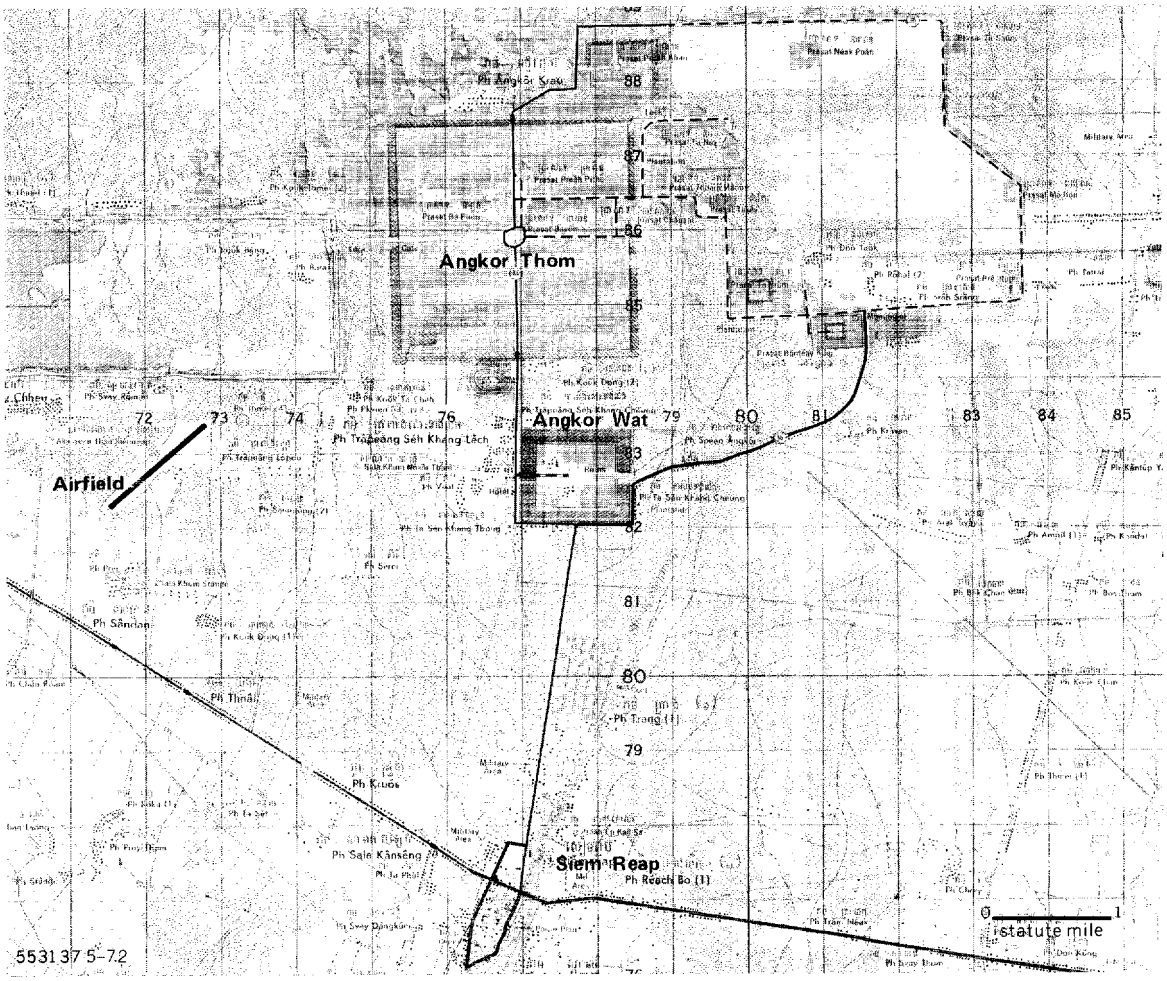
Late last week, Prime Minister Souvanna Phouma beat back a right-wing challenge in the National Assembly led by the powerful Sananikone family. Although a majority of the assembly signed a manifesto that in effect called for the resignation of the Souvanna government, the actual resolution failed to gain a winning margin in a preliminary vote on 19 May. The Sananikones settled on the 22nd for a watered-down resolution that only asked the prime minister to submit his cabinet choices to the assembly for approval. Among the rightists' targets in Souvanna's present cabinet were several left-wing neutralists and Finance Minister Sisouk na Champassak, whose recent policies have hurt Sananikone business interests.

The rightists had also been talking once again about filling portfolios in the cabinet that are being held open for the Lao Communists as part of the tripartite government set up under the 1962 Geneva Accords. Souvanna has consistently resisted proposals to fill these portfolios because of his desire to maintain a framework to facilitate renewed Communist participation in the government.

Prior to the vote on 19 May, Souvanna indicated that he would not resign even if the resolution passed. This tough stand, along with the King's strong support, probably convinced wavering assemblymen not to support the Sananikones. Souvanna, however, is likely to make some minor cabinet changes soon to placate the rightists and to satisfy some of the newly elected members who have been clamoring for more recognition.

No Tonic in South Laos

Government forces failed this week in their first attempt to recapture Khong Sedone from the Communists. Refugees report that fewer than 200 North Vietnamese and Pathet Lao soldiers are in the provincial capital, but advancing government units were halted by heavy artillery and mortar fire as they tried to move toward the town along Route 13. Enthusiasm for the counterattack has flagged among Lao Army troops, many of whom deserted after the engagement. Government commanders have deployed four fresh irregular battalions for another attempt to retake Khong Sedone, and a 900-man irregular task force has arrived to bolster the defenses around Pakse. East of Pakse, the Communists are continuing to attack just west of the junction of Routes 23 and 231, but so far the government troops have held their ground.



CAMBODIA: ANGKOR WAT AGAIN

Phnom Penh's renewed effort to regain control over the symbolically important Angkor Wat temple grounds punctuated an otherwise quiet military situation during the past week. On 18 May, 12 government battalions, including three crack paratroop battalions from Phnom Penh, began the second phase of the operation to break the Communists' two-year hold on the historic ruins. The Cambodians quickly took an important hilltop position overlooking the ruins and the nearby Siem Reap Airfield, but subsequent attempts to converge on the ruins were stalled by Communist resistance.

The task of trying to retake Angkor Wat is a formidable one. Although the enemy forces occupying the ruins are badly outnumbered, their defensive positions are well fortified. They are hard to take since the government is not willing to direct air strikes and artillery fire onto the temple complex.

Nevertheless, Lon Nol has ordered that Angkor Wat must be recaptured "at all costs." To underscore his personal interest in the operation, the President went to Siem Reap to inspect progress—the first time since late last year that he has visited a combat zone. Another sign of Phnom Penh's keen interest in this military undertaking is the fact that it is being supervised by the minister of defense.

In the south, government forces regained some lost ground when they moved unopposed into the town of Kirivong in Takeo Province, a few miles from the South Vietnam border. The town had fallen to the Communists on 14 May during their campaign to secure infiltration routes into the delta area of South Vietnam. The Communists' temporary occupation apparently was designed to facilitate the movement of elements of the North Vietnamese Phuoc Long Front across the border into South Vietnam.

Presidential Candidates

Following the withdrawal of one candidate and the ineligibility of another, the field for the presidential election on 4 June has been reduced to Lon Nol, former deputy prime minister In Tam, and ex - law school dean Keo Ann. Lon Nol will be supported by one of the country's two emerging political parties, the Socio-Republican Party, which is headed by the President's younger brother, Colonel Lon Non. The other prospective party, the Democratic Party, is expected to back In Tam.

Members of a student association in Phnom Penh also intend to support In Tam by campaigning in provincial population centers and by organizing student poll watchers to make it difficult for the government to influence the voting. 25X1

JAPAN FIGHTS TRADE BULGE

Tokyo has begun to implement a new economic program in an effort to avert pressure for another yen revaluation. The program is designed to reduce Japan's trade surplus as well as its large foreign-exchange reserve. Although similar to the eight-point program introduced last June, the new measures more directly address issues of vital interest to Japan's major trading partners. They respond to pressures from the US and Western Europe for Tokyo to slow down its export growth and stop disruption of foreign markets by Japanese goods. Such pressures also underlie Tokyo's willingness to reopen bilateral trade negotiations with the US in July, despite an earlier agreement on a one-year moratorium.

Under the new program, imports are to be encouraged by lowering tariffs and raising quota levels, and a system for a more orderly marketing of exports is to be developed. Japan's large foreign-exchange holdings will be dipped into to pay foreign debts and develop overseas sources for raw materials. Measures will be enacted to encourage the investment of private Japanese capital abroad. Lending rates will be lowered and public works projects initiated to stimulate economic growth.

Despite some slight improvement, Japanese exports continue to grow more rapidly than imports. A trade surplus of $7-8 billion is

anticipated for 1972. Although implementation of the new program should help speed up correction of the trade imbalance, improvement will be slow.

Better results can be expected from efforts to reduce foreign-exchange holdings. Some reserves already have been diverted, and official holdings dropped by $128 million to $16.5 billion in April. Though small, this was the first decline since July 1970. The Japanese apparently feel that they will be able to resist demands for another revaluation if they can restrain the growth of foreign reserves until trade is better balanced.

Tokyo will have some success in increasing the movement of capital abroad. It will encounter difficulties in achieving trade goals, however, because domestic producers, who may be hurt by import liberalization and orderly export marketing, have considerable political clout.

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SOUTH KOREA: STIFLING DISSENT

Since the declaration of the "emergency" last December, the Pak government has progressively narrowed the usual outlets for dissent within the country. Press censorship has increased, public speakers have been intimidated and sometimes arrested, and the National Assembly has been boycotted by the government. In the face of this, the opposition New Democratic Party has used its legal prerogative to press the government to attend the assembly and respond to criticism. Since January, the opposition has unilaterally called the assembly into special session three times and has made direct attacks on the government from the assembly floor. The opposition party has also forwarded to the President some rather tendentious questionnaires on regime policy, which by law he must answer but probably will ignore.

The government response to these tactics is designed to minimize adverse publicity and to demonstrate it cannot be moved by such pressure. While agreeing to participate in some assembly committees, it has refused to attend the special sessions and, in a thinly veiled threat, has indicated that it is considering legislation that would restrict the already circumscribed role of the opposition.

The opposition's hopes of forcing a change in the government's policy of suppressing dissent are slim, but there is popular and press sentiment for a more positive attitude toward representative government. Some government party representatives have come under considerable pressure from their constituents to end the assembly boycott, and a few low-key editorials have called for more democracy.

President Pak is reported to be firmly against any meeting of the assembly until its next regularly scheduled session in September. He is particularly anxious to avoid any open criticism of the government while North Korean Red Cross representatives are in Seoul in June. To keep the opposition at bay, Pak has allowed subordinates to hint that a session in June is being considered, but has discouraged actual steps in that direction. The speaker of the assembly, a government party man, was sharply criticized recently for openly raising the possibility of a brief session next month.

In South Korea's tightly controlled political atmosphere, President Pak will probably have his way. Nevertheless, he could be in for some headaches if his assembly boycott generates additional popular discontent and serves as a catalyst for student protest.

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ITALY: CHOOSING UP SIDES

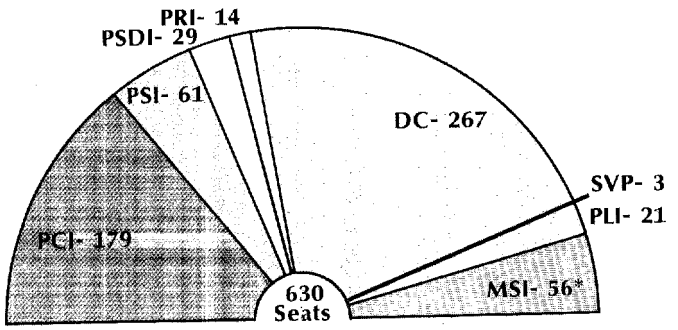
Italy's newly elected parliament convened this week to begin the process of choosing a new government. Informal exchanges between top political leaders show a tendency to reconstitute a center-left coalition, but only if the Socialist Party retreats from its demands for closer parliamentary cooperation with the Communists.

So far, Socialist leaders have not committed themselves. This may be good tactics, but it reflects deep divisions within the party. The Socialists may indeed not be able to take a final position until they have sorted out internal problems at a national party congress next autumn. In the long run, the attractions of power and patronage probably will induce them to submit and join a new center-left government.

President Leone reportedly would like to have the Socialists back in the government, but he recognizes that this may take months. For the interim, Leone favors a minority coalition composed of his party, the Christian Democrats, plus the Social Democrats and Republicans rather than another all - Christian Democrat caretaker government. Leone admits that an all - Christian Democrat administration had many advantages during the election campaign, but he is concerned that Italy's many problems will seriously weaken the Christian Democrats if they continue to govern alone. 25X1

[redacted]

New Italian Chamber of Deputies



*Includes 5 members of the Monarchist Party who ran on a joint ticket with the neo-fascists.

PCI- Communists
PSI- Socialists
PSDI- Social Democrats
PRI- Republicans
DC- Christian Democrats
SVP- South Tyrolese
PLI- Liberals
MSI- Neo-Fascists (Italian Social Movement)

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The new parliament's first task is to elect the presidents of the Senate and the Chamber of Deputies. This could entail a number of secret ballots and may not be completed until next week. After this is resolved the floor leaders of the various parties will be elected and formal consultations prior to the naming of a premier-designate by President Leone can begin. Holidays on 1-2 June may interrupt the process, and serious consultations may not get under way until 3 June.

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FRANCE: VOTE OF CONFIDENCE

On 24 May, the massive Gaullist parliamentary majority gave Prime Minister Chaban-Delmas and his government program a strong vote of confidence for the second time since he came to office. The vote, 368 to 96, will bolster Chaban-Delmas and may help to ease the pre-election malaise of the government coalition.

The disappointing referendum last month, more scandals implicating Gaullists, the continued high level of unemployment and inflation, serious discontent among small shopkeepers and some farm groups, and sporadic demonstrations by left-wing youth groups all have contributed to strains within the coalition. A number of coalition backbenchers have made Chaban-Delmas the scapegoat and have privately—and sometimes publicly—tried to undermine his authority. The confidence vote, however, shows that, when the chips are down, the Gaullists recognize the importance of maintaining a united front until the elections next spring. The 293 Gaullist deputies have the support of 61 Independent Republicans and about 16 centrists in the 487-member National Assembly.

There has long been friction between Pompidou and Chaban-Delmas over government policy, and the President doubtless is still greatly annoyed over the unfavorable publicity the government received when alleged irregularities in Chaban-Delmas' tax returns were brought to light several months ago.

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If he can, in the interim, give the Gaullist coalition a sense of drive and cohesiveness, Pompidou will probably retain him through the parliamentary elections. If his leadership were seen to be faltering, Pompidou would replace him. The President would have some difficulty finding a suitable replacement though, since Chaban-Delmas still has a fair degree of public support and strong links with the centrists.

Although there are strong indications that Pompidou plans to hold the elections on schedule next year, he may not have discarded the possibility of holding them earlier. Throughout the pre-election period, opposition political parties can be expected to do what they can to keep the government's shortcomings and failures in the limelight. The government's domestic problems are manageable, however, and it will make every effort to clean house before its electoral prospects are seriously damaged. Chaban-Delmas, at Pompidou's insistence, has already accepted the resignations of four top officials accused of involvement in recent scandals.

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EAST GERMANY: DIPLOMATIC HOPES

The signing on 26 May of a general traffic treaty by East and West Germany—the first state treaty between them—will give Pankow increased leverage in future negotiations with Bonn. Pankow clearly believes that this treaty, which it claims is between mutually "sovereign" states, set a precedent for its dealing with the West Germans as an equal. In addition, the East Germans have touted their role in Bonn's ratification of the Eastern treaties. Their role included such "initiatives" as opening the Berlin Wall and public endorsement of the treaties.

While the effect in Bonn of these measures is questionable, the East Germans apparently believe that by such moves they have met major Soviet demands and now will be less encumbered by pressure from Moscow. Pankow's new-found confidence was illustrated by party chief Honecker's offer last month to enter into an "exchange of views" with Bonn on political relations, an offer he would not be likely to make without some assurance that he could call his own tune. Moscow's overriding interests in European detente, however, may dictate otherwise.

Inter-German political talks loom as a focal point for the next stage of international agreements on the German problem. The East Germans are aware that such key issues as definition of inter-German relations and membership in the UN for both Germanies depend ultimately on agreement between Pankow and Bonn. While the East Germans are anxious to settle these issues in order to gain international recognition, they have announced their terms, on which they will push Bonn hard. Pankow has publicly rejected, for instance, Bonn's concept of a special relationship between the two Germanies and has objected to the Four Powers having competence over inter-German relations.

Pankow's leaders appear to be under less pressure than they were during past negotiations,

West Berliners Cross to East Berlin

and they even imply that the Brandt government is in their debt for past concessions. While by no means in the catbird's seat, the East Germans probably believe that time is on their side and that recognition from more countries will come in spite of Western objections. The failure of East Germany to obtain membership in the World Health Organization last week, by a surprisingly large margin, probably jarred these expectations somewhat, but is not likely to affect seriously the talks with West Germany, which may enter the exploratory phase in a few weeks.

For its part, Bonn is prepared for protracted talks. Even if a treaty regularizing inter-German relations could be negotiated, early ratification would be virtually impossible given the current parliamentary stalemate in Bonn. In any event, the West Germans reckon that entry into the UN would not come before 1973.

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YUGOSLAV-SOVIET TRADE

Bilateral talks will be conducted in a highly favorable atmosphere when Tito journeys to Moscow early next month. Economic relations, marked by an upsurge in trade that began in 1970, are continuing to expand.

The need to reduce huge hard-currency trade deficits, coupled with the resistance in the European Community toward Yugoslav exports, induced Belgrade to seek increased trade—especially imports—with its partners in CEMA. As a result, imports from the USSR increased 45 percent in 1971 while exports rose 11 percent.

Brezhnev's visit to Belgrade last September triggered a flurry of economic activity that resulted in the conclusion of several economic agreements. A $100 million barter arrangement involving Yugoslavia's Fiat affiliate was concluded; the Soviets extended a $130 million credit for construction of an alumina plant in Bosnia-Herzegovina; and Soviet credits of $500-800 million were extended for development of mineral and power resources in Yugoslavia's less-developed republics. The last agreement also provides for an increased exchange of raw materials, including larger Soviet deliveries of coke, crude oil, natural gas, and raw cotton. In addition, a supplementary protocol increased the 1971-75 trade target by $540 million, bringing planned trade for that period to $3.6 billion, almost 50 percent above the 1966-70 level.

Such increases in the volume of trade with the USSR will further improve Belgrade's hard-currency position in 1972. They will also set the stage for faster growth, particularly in the underdeveloped south, but probably at the expense of economic efficiency. In Belgrade's view, economic benefits outweigh the political risks of some increased dependence on the USSR for strategic imports. Yugoslavia's trade still will be preponderantly with the West, and Belgrade will continue to count on additional help from the US and Western Europe in case of need.

The Soviets' forthcoming attitude in recent negotiations may have been aimed in part at smoothing over Tito's reservations about his trip to Moscow. The Soviets will present Tito's visit as a movement toward greater unity in Eastern Europe, but they will run into strong Yugoslav opposition if they pursue Yugoslav support on issues such as the European Security Conference. In all likelihood, Moscow will continue to take a soft political line with Tito in hopes of advancing its aim of strengthening the USSR's long-range position for dealing with post-Tito Yugoslavia. [redacted] 25X1

UNCTAD III WINDS DOWN

As with the two previous conferences, political differences and diverse economic interests among the some 140 nations attending made substantial progress all but impossible. Peking, attending for the first time, inveighed against the "imperialist plunder" of the developing countries by both the US and USSR. Wide discrepancies also emerged among the developing countries, particularly on the issues of monetary reform and on which countries should be identified as the least developed. Developed Western countries, on the other hand, managed to stay united on most major issues.

Trade and aid between rich and poor nations was again debated, but international monetary reform took center stage in Santiago. The developing countries deadlocked on both the forum for and participants in monetary negotiations as well as on the relation of trade and aid to such discussions. Most developing and Western countries want the negotiating forum to be a representative group of 20 countries within the International Monetary Fund. The Communist and a few developing countries, on the other hand, want to broaden participation by convening an international monetary conference under UNCTAD auspices. On other monetary issues, the developing countries advocated that the International Monetary Fund link the allocation of special drawing rights to developmental aid. The Western countries, preferring to consider the link in the context of a broader monetary reform, remained opposed to settling the issue at Santiago.

Progress on the trade issues that dominated earlier conferences was scant. Little was done that would ease pressures from the developing countries to stabilize the prices of primary products or to obtain greater access to the markets of the developed countries. UNCTAD's limited mandate and its relationship to the General Agreement on Tariffs and Trade aroused controversy. The developing countries demanded an active UNCTAD role in the projected 1973 trade negotiations for the reduction of tariffs and other trade barriers, but the Western nations objected.

On other major issues, the developing countries made the usual pleas for debt rescheduling and increased aid on softer terms. The conference did reach unanimous agreement on only one major issue—special measures to aid 25 least-developed countries, including aid on easier terms, greater technical assistance, and special commodity agreements. But the conference could only produce a tentative list of the 25 beneficiaries. [redacted] 25X1

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FRETTING IN CAIRO

Egyptian misgivings about Soviet policy in the Middle East have surfaced again. On 19 May, the semi-official Egyptian newspaper, *Al-Ahram,* published the minutes of a forum it sponsored on the US-USSR summit which reflected criticism of the Soviet Union as well as the US. The meeting was dominated by a mood of anxiety that the Moscow talks would give low priority to the Middle East.

At the forum, the Egyptian foreign ministry undersecretary, Ismail Fahmy, warned that the Soviets would be making a major miscalculation if they thought the Arab states would accept a no-war, no-peace policy from Moscow. Other participants voiced similar sentiments. One prominent writer for *Al-Ahram* bluntly stated that the USSR prefers the no-war, no-peace situation, while another complained that US commitments to its friends in the area are stronger than those of the Soviets to their allies.

Subsequent Egyptian media coverage of the Moscow summit has avoided criticism of Soviet policy, but Cairo remains deeply concerned that the Arab-Israeli deadlock will not get the attention it deserves. Egyptian officials may hope that an airing of Cairo's suspicion of Soviet motives in the Middle East will provide a warning to Moscow not to bargain away Arab interests in discussions with the US. Domestically, this airing serves as another assertion of national independence designed largely to dampen criticism of the regime's close ties with the USSR.

25X1

TURKEY: MELEN'S GOVERNMENT

Turkey's month of poltical uncertainty drew to a close with the formation on 22 May of a new government headed by the former minister of defense, Ferit Melen. This will be the third Turkish government in little more than a year. In general, the caliber of the members of the new government is impressive, and the cabinet should be able to work together harmoniously. The Melen government probably will be acceptable to Parliament; President Sunay's prompt ratification of the cabinet implies military approval. According to a spokesman for the new cabinet, Melen will present his government's program to Parliament on 29 May, and a vote of confidence could come by the end of the week.

The new government is heavily weighted with technocrats, and 17 of the 25 ministers are carryovers from the previous Erim regime. It includes eight members of the conservative Justice Party, five from the factionalized left-of-center Republican Peoples Party, two from the centrist National Reliance Party, one independent senator, and nine non-party technocrats. At least three of the nine are financial experts, as is Melen, suggesting that a major effort is to be mounted to correct some of Turkey's economic ills. The key interior and foreign affairs portfolios remain unchanged, indicating little, if any, shift in Turkey's basically pro-Western foreign policy and tough domestic security policy, including the crackdown on leftist radicals. A strong figure from the predominant Justice Party has been named minister of agriculture, and this should both improve the prospect for workable reforms in that area and give increased emphasis to the international effort to control opium in Turkey.

Prime Minister Melen himself shows every intention of keeping a firm hand on the government and of pushing the economic, social, and political reforms demanded by the military. An outspoken anti-Communist, he sees one of his main tasks as continuing the struggle against anarchy and subversion. Although Melen may have problems in Parliament with specific electoral and land reform proposals, the major parties have already agreed in principle that such reforms are necessary. More controversial issues include a proposal for special tribunals to deal with terrorists after martial law expires. At this stage, however, the political leaders probably will give him a vote of confidence rather than risk further straining the patience of the military.

25X1

A PAUSE NEAR THE SUMMIT

The anticipated summit conference between Prime Minister Gandhi and President Bhutto, previously expected within the next two weeks, now appears likely to begin only toward the end of June. The delay is attributed to both domestic and international considerations. Mrs. Gandhi wants to wait until after the Indian parliament recesses next week, while Bhutto suddenly announced plans to visit fourteen countries in the Near East and Africa between 29 May and 10 June. Mrs. Gandhi, in turn, is scheduled to travel in Europe from 13 to 25 June. Bhutto has proposed 28 June for opening the summit, and indications are that the Indians will agree.

Meanwhile, some of the "cautious optimism" that was expressed by the negotiators following the pre-summit meeting at Murree, Pakistan, in late April is beginning to wear thin as the difficulties in reconciling differences become clearer. At Murree, the two sides agreed that the summit would discuss the return of prisoners of war, withdrawal from occupied territories, restoration of diplomatic relations, and resumption of transportation and communications links. Agreement was also reached on the need for a "durable peace." A "durable peace" presumably would include an amicable disposition of the disputed state of Kashmir, and on this subject there appear to be almost irreconcilable differences between Islamabad and New Delhi.

The Indians, thus far, have argued that all issues between India and Pakistan should be resolved at one time and that in Kashmir, a permanent border, more or less along the present cease-fire line, is needed. In the absence of such an agreement, they would apparently demand at least a "no-war" pact between the two countries. Bhutto, however, insists that his countrymen are not yet prepared to accept a final settlement in Kashmir, and he foresees difficulties in accepting a "no-war" pact. He proposes a step-by-step approach to a settlement, agreeing first on the least controversial issues—such as the re-establishment of relations.

As for Kashmir, Bhutto has suggested a "soft frontier"—a vague proposal calling for easy crossing of the existing line by Kashmiris on either side. The Kashmir problem is further confused by India's insistence that it no longer recognizes the right of the UN military observer group—stationed on both sides of the cease-fire line since 1949—to play a role in maintaining peace in the area. India contends that the 1971 war and cease-fire created a new demarcation line in Kashmir. Pakistan, as the defeated and weaker power, insists that the 1949 cease-fire line remains in effect and is trying to keep the UN involved in the controversy. The Indian position, however, has rendered ineffective the role of the UN observers who are not now able to go to the area of the new cease-fire line.

Bhutto's primary task will be to secure the release of some 93,000 prisoners of war held by the Indians. Here again, major hurdles must be overcome. The Indians will be most reluctant to return thousands of trained men to Pakistan in the absence of a "no-war" pact or other assurances of Islamabad's peaceful intent. More difficult to resolve, perhaps, is the insistence by New Delhi that the prisoners captured on the eastern front—or all but a few hundred of them—cannot be released without the concurrence of Bangladesh because, the Indians say, the surrenders were accepted by a joint India—Bangladesh command. This would appear to require the presence of Sheikh Mujibur Rahman at the summit meeting. The Pakistanis apparently have no objection to

the Bengali leader's participation, but Mujib refuses to meet Bhutto until Islamabad extends recognition to Dacca. Bhutto, for his part, insists he will not recognize Bangladesh until after he meets with Mujib.

Despite the many difficulties, there is hope that the summit meeting will take place and be productive. A serious clash along the cease-fire line in Kashmir on 5 May was not allowed to get out of hand and both sides made sure the event stayed in a low key. Only three days later, the Indians repatriated some 37 sick and wounded Pakistani prisoners.

Probably the most serious threat to the summit is the possibility of "war crimes" trials in Bangladesh. Should India, in the interval before the opening of the summit, turn over to Dacca for trial Pakistanis accused of committing atrocities in East Pakistan last year, the reaction throughout Pakistan might be violent enough to force Bhutto to refuse to meet Mrs. Gandhi. New Delhi is aware of this danger and could turn aside any such request from Dacca, at least until after the summit meeting.

25X1

CEYLON: ISLAND WITHOUT JOY

This month marks the second anniversary of the elections that brought Prime Minister Bandaranaike back to power after five years in opposition. Thus far, Mrs. Bandaranaike's coalition government, which controls nearly 75 percent of the seats in the national legislature, has made little headway in arresting the economic decline brought on by falling world prices for Ceylonese products, costly social welfare programs, and policies that have discouraged private investors. A high unemployment rate, shortages of consumer goods, and inflation have eroded public support for the regime, although Mrs. Bandaranaike herself appears to have retained a substantial measure of personal popularity.

Since the island-wide insurrection spearheaded by unemployed youths in April 1971, Ceylon has been relatively quiet. Most of the insurgents were either killed or captured in the weeks following the uprising; only a few hundred remained at large. Last March, the authorities, claiming they had evidence that a new outbreak was being planned, placed the armed forces on full alert and urgently obtained substantial quantities of arms from several countries. No new outburst materialized, and the alert was relaxed this month. The government is planning to begin trials soon for several thousand detained insurgents, and it has started releasing several thousand others who it claims were only marginally involved in the violence last year. Many of the freed youths may have been radicalized during their long detention and may swell insurgent ranks.

Agitation by Ceylon's labor unions, another potential source of trouble, has been sporadic in recent months, in part because emergency regulations in effect over the past year have made strikes and demonstrations more difficult. Some of the emergency restrictions were eased last week. Mrs. Bandaranaike, meanwhile, has been bickering with one of her coalition partners, the Ceylon Communist Party/Moscow. Although this is a small party—holding only six of 151 elected seats in the national legislature—it has substantial labor support and could move to aggravate worker unrest if it breaks with the government.

A new constitution, renaming Ceylon the Republic of Sri Lanka, was enacted on 22 May. Most Ceylonese appear relatively indifferent toward the new charter, which they view as peripheral to their real concerns. Some public criticism has been voiced over provisions in the document that postpone the deadline for the next national elections from 1975 until 1977 or 1978 and others that appear to weaken the judiciary. Leaders of Ceylon's Tamil minority, which makes up about 22 percent of the population, have complained that the new constitution does not adequately guarantee the use of their language in judicial and administrative affairs in Tamil regions.

25X1

MALAGASY REPUBLIC: HANGING ON

General Ramanantsoa, granted "full powers" by President Tsiranana last week, has promised a new government within a few days. Tananarive is quiet, but the issue of Tsiranana's remaining in office, even as a figurehead, is causing friction between the general and the students, whose demonstrations were responsible for making Tsiranana give up power.

General Ramanantsoa

Ramanantsoa stated he will form an apolitical government of military officers and civilian technicians. He has given assurances that military rule will be temporary, pending the formation of a new civilian government based on a new constitution. Tananarive students, however, have vowed to continue their strike—now in its fifth week—until Tsiranana resigns. Ramanantsoa was strengthened in his desire to move slowly when workers disassociated themselves from the students and ended their six-day general strike.

Ramanantsoa's refusal to rush Tsiranana out of office and out of the country reflects a desire to avoid aggravating the rivalry between the country's two main tribal groups. Ramanantsoa and the students in Tananarive are members of the minority Merina tribe; the majority *cotier* (coastal) tribes in the provinces have traditionally supported Tsiranana. The general is aware that his authority has been superimposed on a political and governmental structure that, outside Tananarive, is still controlled by the *cotiers*. Ramanantsoa has acted cautiously to prevent his assumption of power from being interpreted as an attempt by the Merina to impose complete control over the *cotiers*. He has publicly stressed Tsiranana's role as a symbol of national unity and has warned that his removal could provoke a violent conflict. Ramanantsoa has also engaged in extensive consultations with *cotier* groups from outlying towns in an attempt to gauge his support among the coastal people and to discern their reaction to Tsiranana's ouster.

Ramanantsoa may already have decided that Tsiranana must go, however, and is simply attempting to allay *cotier* fears before making his final move. [redacted] 25X1

BURUNDI: US OR THEM

The government appears intent upon eliminating the Hutu leadership in Burundi in the wake of the insurrection that broke out in the south last month. Reprisals against Hutus, already far-reaching, could become so widespread as to threaten the future of the country.

Mass arrests and executions of Hutus by the Tutsi-dominated government are continuing both in the countryside and the capital. Army operations against isolated rebel elements—now reduced to petty banditry—in several areas south of the capital are being used to take wholesale reprisals against the Hutu population. Virtually all Hutus in the government or the army have either been killed or marked for execution. Estimates of Hutu dead range from 30,000 to 100,000; the US Embassy leans toward the lower figure. President Micombero has failed thus far to respond to strong pressures from the Bujumbura diplomatic community to call off the systematic slaughter.

The Scorpion and the Frog

A frog sunning himself on a riverbank was approached by a scorpion. "Will you take me across the river on your back?" the scorpion asked. "But how do I know you won't sting me?" asked the frog. "If I did," the scorpion replied, "I would drown." "That is logical," said the frog, "climb on." Halfway across the river, the scorpion gave the frog his deadly sting. "Why did you sting me?" cried the frog as he died, "Now you will drown." "Ah," sighed the scorpion as he went under, "that is life in Burundi."

—*Old Folk Tale*

The government's campaign is motivated largely by the belief that the Hutus, if given the chance, will provoke a genocidal war against the Tutsi minority. Over the years, however, the Hutu population as a whole has remained passive in the face of Tutsi authority. Now, tribal tensions are high and if the government pushes its draconian measures much further, it could trigger a Hutu backlash that could lead to nationwide tribal warfare. 25X1

GHANA: TROUBLES ARE MOUNTING

The new military rulers face a rising level of public discontent. They are also being tested by continuing morale problems within the army, reports of coup plotting, and frictions within the ruling National Redemption Council itself.

In the four months since the military coup, growing numbers of Ghanaians have become critical of the junta's performance, particularly the recurring incidents of abuse of civilians by overzealous soldiers. Workers and civil servants have been the chief victims of periodic attempts to subject civilians to military discipline, but small traders and shopkeepers have also been upset by the occasionally harsh enforcement of anti-hoarding and price-control measures. The resulting discontent is being fed by the regime's inability to get the economy moving again or even to provide for adequate imports of some food items considered essential by Ghana's urban dwellers.

The junta is concerned about morale and discipline in the army, particularly among enlisted men who have complained that only the officers have benefited from the military take-over. Discontent within the ranks stems at least partly from the fact that the commanders of three key units in southern Ghana are members of the ruling council and are often unavailable to deal with unit problems. Criticism within the officer corps is directed mainly at the army hierarchy over the breakdown of the promotion mechanism and the career planning system.

In this situation, there is probably some plotting by disgruntled soldiers. The junta has taken some steps to deal with potential unrest in the army and only recently authorized the payment of a second post-coup bonus to the troops. But unless the junta can restore faith in the military structure and get the economy off dead center, it is likely to face more serious coup threats as time passes.

The ability to deal with all of these problems is complicated by continuing frictions within the junta. Junta leader Acheampong still seems excessively worried about the threat posed by the Ewes, who overplayed their hand in the immediate post-coup period. This fear may have played a role in the recent demotion of Major Selormey, an Ewe who was one of the key conspirators in the coup. Selormey is still a man to be reckoned with and his conflict with Acheampong is the most serious rift in the inner circle since the coup.

25X1

THE ARGENTINE POLITICAL GAME

The Lanusse government has put together a new economic program after abandoning its semi-austerity plan and granting a large wage increase on 1 May. The program will not solve any of Argentina's serious economic problems, it simply tries to maintain the status quo until a new government can be elected next year.

The President's primary aim in drawing up the new program was to prevent the increased production costs caused by the wage increase from being passed on to consumers. To this end, Lanusse obtained the consent of business and industry to adhere to a program of voluntary price controls. To get this cooperation, however, he had to reduce taxes and tariffs to offset the higher wage costs. At the same time, he has added restraints on unnecessary imports and has raised support prices on such items as grain to encourage exports in the hope of improving Argentina's trade balance.

Business, industry, and labor generally approve of the new program as it pertains to them, but are withholding open support to see if it works out in practice. Labor, happy with the 15-percent wage increase, is waiting for the party line to come from Madrid, where Peronist leaders are meeting with Juan Peron. In any event, Lanusse has quieted much of the criticism of his economic policies that earlier was threatening to undo the political gains he had made in his first year in power.

President Lanusse has also made several forays into the interior to demonstrate his concern for those underdeveloped and nearly forgotten provinces. It is hoped that new economic initiatives and a demonstration of official concern can forestall further outbreaks such as the riots that shook Mendoza last month.

Lanusse's visits to the interior also bear many of the marks of a nascent presidential campaign. Electoral and constitutional changes for the national elections scheduled for next March will give the provinces a stronger voice in national affairs, and there has been speculation that Lanusse might try to put together a coalition of provincial political groups to boost his candidacy.

The provinces have come out second best in their long rivalry with Buenos Aires, where a third of the nation's population lives, and Lanusse appears to be trying to assume the role of champion of this underprivileged majority. In his recent trips, he has often been able to overcome open hostility with his straightforward manner and promises of state aid to ease economic problems. He may in this way be able to begin building a base of popular support that would lead the armed forces to support his presidential candidacy in the elections next year.

25X1

PANAMA: PROBLEMS AT HOME

Government concern is focused on domestic matters rather than on canal negotiations with the US. Nevertheless, the big story of the week still involved the US as the Torrijos regime locked horns with the US-owned power and light company.

The government and the company have been at odds for some time. For political reasons, the government has chipped away at electric rates, kept the lid on telephone rates, and forced the company to maintain an unprofitable gas service. No sooner did the government agree to allow termination of the gas operation than another problem arose. The company complained that the Panamanian Government, notoriously slow in paying its bills, was in arrears to the tune of $2.2 million.

In a rather heavy-handed collection attempt, the company for a while last month refused to provide telephone and electric service to a government ministry. This month, the company is trying a slightly more subtle approach that threatens to plunge all of Panama City into darkness. Claiming poverty, it has stopped paying Esso and Texaco for the fuel it needs to run its generators. The hope is that the petroleum companies will stop delivery of fuel, the government will then panic and pay off its debt, and the power company can then pay for needed fuel.

The government is indeed worried. As a compromise, it has offered to allow the company to increase its earnings if it will undertake an investment program adequate to meet the growing demand for electricity and telephones. The government is not anxious to expropriate the company. Torrijos has no interest in taking on a new and expensive burden, and he does not want to scare off other foreign investors. The company, however, seems almost to be daring Torrijos to expropriate.

Torrijos' patience with the power company may be limited, given his concern with developing discontent over increased taxes and inflation. Also, the government has been stung by the popular apathy toward the legislative elections in August and has experienced difficulty in finding candidates for the 500 seats. Torrijos is making substantial efforts to mobilize the students. The Communist-controlled student federation, for example, is being permitted to hold a major conference this week, and the government, apparently unwilling to tolerate anti-US demonstrations, may find it convenient to direct student attention to the power and light company.

Torrijos is unlikely to concentrate on the canal negotiations until the August elections are

Torrijos Touring the Provinces

out of the way. Indeed, there is a growing awareness that Panama may have to wait until after the US presidential election for a new treaty. In the meantime, Torrijos remains interested in assessing how much give there is in the US position. Foreign Minister Tack is alleged to have observed, after the US decision to mine North Vietnamese harbors, that both he and Torrijos now believe the US would act firmly if pushed and that Panama must revise its previous attitude on canal negotiations.

It is still premature to suggest that Torrijos has given up on the hard-line approach. Tack has indicated that a new treaty must contain a reasonable termination date, that Panama must obtain sufficient monetary benefits to facilitate economic development, and that there must be a turnover of US jurisdiction in the Canal Zone in a short enough period to prevent the enemies of the present government from using a new treaty as ammunition to attack Torrijos. Translating these general points into treaty language will not be simple, but at least elements of realism may be creeping into the Panamanian position.

25X1

CHILE: FEARS OF VIOLENCE

The week was generally quiet as the violence threatened by extremists of the left and right was averted, at least for the time being; in the process, it appears that the Communist Party gained a temporary edge in the struggle within the Popular Unity coalition.

A prolonged clash between the police and the extreme left in Concepcion on 12 and 13 May set the stage for the Communist move. Armed with reports of what they claimed were plans by the Movement of the Revolutionary Left to attack President Allende and government offices in Santiago last weekend, the Communists threatened to leave the government unless Allende restrained the violence-prone left. Under this Communist pressure, the Socialists withdrew their public support from the Movement of the Revolutionary Left—an unprecedented move—and joined the Communists in criticizing the violent aspects of that organization's tactics.

While striving to make their point within the governing coalition, the Communists also met with members of the Christian Democrat Party, and both sides agreed to work within their respective blocs to reduce the level of tension.

A further factor in calming the situation was the possibility of military intervention to control illegal arms.

25X1

The army command requested authorization to seize illegal arms held by civilians, and the government agreed, but only on condition that each raid be cleared in advance with the Interior Ministry. When the army balked at this proviso, the Christian Democrats seized the opportunity and introduced legislation to grant the military the power they sought. The Christian Democrats probably hope that this new authority will be used to control not only the revolutionary left, but also armed groups on the right, especially the fascist Fatherland and Freedom Movement.

The absence of large-scale violence last week, in spite of a number of threats to the peace, demonstrates that in spite of nearly two years of the rhetoric of violence, Chilean politicians are still willing and able to avert large-scale disorders when it suits their purposes. This will probably continue as long as the major parties consider their best interests to be served by the politics of non-violence.

25X1

CASTRO CARRIES ON

Fidel Castro is in Bulgaria, the first stop of an extensive tour of Eastern Europe before his Moscow visit next month.

Many who were with Castro on the African portion of the trip have returned to Cuba. The new members who joined the group in Sofia suggest that the focus will be on economic matters. Carlos Rafael Rodriguez, one of Castro's most trusted economic advisers, has joined the entourage. Rodriguez has had a number of high-level economic talks in Eastern Europe. Moreover, he attended the joint Bulgarian-Cuban Commission for Economic, Scientific, and Technological Cooperation that met in Sofia last year. Major Flavio Bravo Pardo, chief of Cuba's Consumption and Services Sector, and Jose Naranjo Morales, minister of food industry, are also with Castro.

The Bulgarian press has thus far given relatively low-key coverage to the initial talks, which were described as being held in an "atmosphere of particular cordiality, fraternal friendship, and complete mutual understanding." Castro's departure date has yet to be announced, but Romania is the next stop.

25X1

SECRET

THE DRUG SCENE

MEXICO: DRUG ERADICATION LAGS

For several years, the Mexican Government has cooperated with US authorities in acting against the cultivation of opium poppies and the smuggling of heroin and cocaine through Mexico to the US. Nevertheless, quantities of Mexican heroin continue to appear in the US, and trafficking organizations bring significant amounts of illicit narcotics from Europe and South America into the US through Mexico. The question is expected to be discussed next month when President Echeverria pays an official visit to the US.

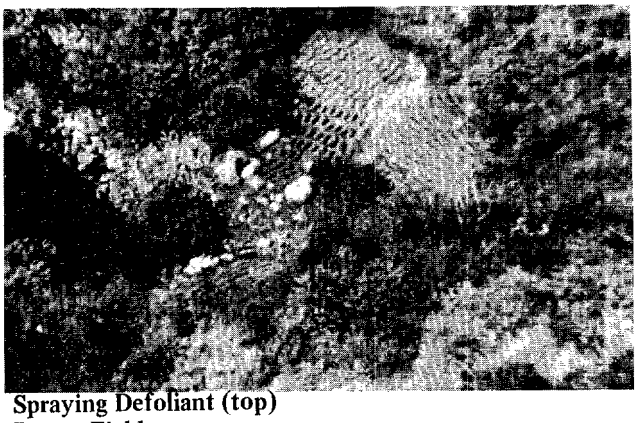
The Mexican Government has committed about 10,000 troops, in addition to some 300 Federal Judicial Police, to the poppy and marijuana eradication program. Although the figures are impressive, the program has not had a great effect on the cultivation of the plants because most poppy fields are situated in remote, inaccessible areas. The government has used aircraft to locate the fields, but the troops frequently arrive on the scene only after part of the crop has been salvaged. Those arrested in connection with cultivation usually are minor figures, such as peasants who have only a vague idea of the narcotics situation.

25X1

Once the raw opium is harvested, it is taken to clandestine, mobile laboratories. These have been seized in a number of places in Mexico. Recent evidence suggests that Mexican refineries are turning out a better product than previously, perhaps equaling that coming from European suppliers.

Smuggling of narcotics, as well as other commodities, across the border into the US is facilitated by the nature of the terrain and the lack of control points. Several methods are employed. Most often, the goods are hidden in the clothing of people who have legitimate reasons to cross the border regularly and thus are less likely to be checked closely. Motor vehicles, some with special traps, are also used. Recently, smugglers have been making more use of light airplanes. The planes take off from small fields on the Mexican side of the border and, flying at night and very low to avoid radar detection, land clandestinely in the US. Some pilots file flight plans but unload the heroin secretly before continuing on to an airport in the US. Still another method involves the fishing fleets that operate off the western coast of Mexico. These boats can transport the goods to their home ports in the US or unload the heroin at isolated spots along the US coast.

25X6



Spraying Defoliant (top)
Poppy Fields

Secret

25X1

DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

Philippine Student Activists

Secret

№ 47

26 May 1972
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PHILIPPINE STUDENT ACTIVISTS

The sudden emergence of a vigorous anti-establishment student movement in 1970 rattled President Marcos' government and frightened some members of the Filipino establishment. In early 1970, large-scale and sometimes violent demonstrations created an atmosphere of urban chaos unlike anything that the country had experienced before. The demonstrations seemed, at the time, to portend the beginning of an era of chronic political instability. The movement raised questions whether the opening of the constitutional convention in mid-1971 would prompt another series of violent anti-Marcos student demonstrations. As it turned out, none took place, and student activism seemed to lose its original, dramatic momentum. In late 1971 and early 1972, student activists tried to mount only a few mass protests or rallies, and attendance at these averaged only a few hundred, as compared with 1970 crowds that had numbered in the thousands. The only sizable demonstration since early 1971—an anti-Vietnam war protest on 20 May 1972—attracted some 2,000 students, far short of the 15,000 the radical leaders had expected. The apathy apparent on campus today represents in large part a strong reaction against the violence and almost constant disruption of education and campus life caused by earlier activity. The numerous casualties suffered during the demonstrations, combined with a government crackdown on radical students, intimidated many a would-be protester.

For other students, the contradiction between activism and education was an important factor behind their drift away from the movement. A college degree is highly prized in the Philippines, and the average student's presence on campus is, in many cases, the end result of family sacrifice. Thus, many of the students who furnished the manpower for the demonstrations were ready to resume the pursuit of their degree once activism lost its initial excitement. The student movement was also deflated by a strong backlash from the adult population, as evidenced by the decision of many parents to enroll their children at provincial universities rather than at more prestigious institutions in Manila.

Coincident with the anti-activist backlash, the student movement on campus lost much of its left-wing leadership. The Maoist-oriented leaders of the Kabataang Makabayan, the dominant leftist student organization, had already been losing faith in the efficacy of urban mass action. They were attracted to the brighter prospects, as they saw it, of systematic cadre training and political work among the peasants in the countryside. Many of the more radical student leaders went underground; others were arrested during the government crackdown in the fall of 1971. This has deprived the campus-based sector of the student movement of much of its direction and sense of purpose.

Because the most active students are engaged in less visible activities in the countryside instead of rioting in the streets of Manila, some observers have concluded that the student movement has lost its force and significance. The tumult and the shouting have faded, but the process of student alienation and radicalization has continued as has a vague commitment to radical social change.

Origins of the Activist Movement

The rise of political and social consciousness among Filipino students was part of a growing sentiment against the enormous power wielded in the Philippines by a small, corrupt, self-perpetuating oligarchy. A desire for change is being articulated by a post-colonial generation whose view of the importance of the national good is at odds with the value that Filipinos have traditionally placed on personal and familial loyalties and ties. These contradictions—between the old and the new, between the reformers and the oligarchy—will bring tension to the Philippines' political and social life for some time to come.

The loudest voices and most active organizers for reform have come from the liberal wing of the Roman Catholic Church and the university community. They are supported, albeit quietly, by a growing professional and managerial class that has few direct ties to the small group of families which constitutes the backbone of the oligarchy. The students are the most dynamic and radical force for change; they are potentially the most important because of their numbers, their concentration in Manila, and their greater disaffection.

As is true of most developing nations, the Philippines is a youthful country; over two thirds of the population (some 26 million) is under the age of twenty five. About 600,000 are enrolled in institutions of higher education, and half of these attend the 33 colleges and universities in the greater Manila area. With 300,000 students to draw upon, student organizers need attract only a small fraction of the student community into the streets in order to have a mass confrontation.

Numbers alone do not fully explain the students' political potential. Their leading role in the earlier disturbances has given them an awareness of their own importance, and their sub-culture, replete with rock music, marijuana, and radically different hair and dress styles, gives them a sense of identification with one another. The students see themselves engaged in an "us-against-the-establishment" struggle. Not only that, but the mass demonstrations of 1970 and 1971 showed that, for the first time, the students were not only extending their particular problems to those of society as a whole, but were also ready to demand political change.

The Issues of Activism

Although the students have discovered the magic of politics, their political sophistication is not high. For all of their expressions of dismay with the oligarchy, the students have a faulty appreciation of the ills that beset the country. For example, their complaints about the shortcomings of higher education center on high tuition rates, the "commercialization" of education, poor instruction, and lack of academic freedom. All of these criticisms are valid, but student leaders have failed to zero in on a most significant failing of the Philippine educational system—that it is educating students for unemployment by emphasizing liberal arts programs over more practical training. The students are trained for jobs that do not exist, and the unemployment rate among new graduates is extremely high. For example, six candidates apply for every available teaching position. The government has proposed changes but has run into strong opposition from the students, who continue to equate success with white collar or professional employment. Student activists have denounced the government's

Demonstrations in 1970

suggested reforms as schemes to undermine student political power.

The students also have too strong a propensity for seeing political problems in terms of personalities. They have come perilously close to identifying President Marcos as the prime cause of the deficiencies of the present political system. By concentrating on the alleged culpability of Marcos, the students in effect have exculpated the oligarchy and the system that is at the root of much of what is wrong with the Philippines. The obsession with Marcos, whose very name has become an epithet on the campus, is a sign of the activists' lack of intellectual depth. It has two consequences. One, it makes the student movement inordinately dependent on the figure of Marcos, and his sudden removal from politics would deprive the movement of its principal impetus. Two, it makes the students vulnerable to manipulation by anti-Marcos politicians, who themselves are part of the ruling oligarchy and have little interest in changing the way the Philippines is governed.

The student position on what ails the Philippines is not always wholly consistent. Although Marcos is seen as the cause of the exploitation of the Filipino people, the students also view him as a tool of "American imperialism." In taking this line, the students are inadvertently revealing their own mental set, i.e., that Filipino politicians and businessmen are not responsible for their own actions and that in an ultimate sense the American military presence and capital investment in the Philippines are responsible for the country's inequities. One might reasonably expect that anti-Americanism would fade into the background as the students began to call attention to corruption and incompetence within the Filipino political system; in fact, denunciation of American "neo-colonialism" has remained a mandatory part of student rhetoric. These regular student denunciations of American "imperialism"—in a nation where four million people recently signed a petition favoring US statehood—provide striking evidence of the cleavages of viewpoint that exist within Filipino society.

Signs on campus, 1972.

More importantly, student preoccupation with American imperialism dilutes the force of their demands for reform. President Marcos and the Filipino establishment are alert to the possibilities of exploiting anti-American feeling among students in order to divert wrath from themselves. The oligarchs reason that, as long as students remain attracted to the foreign devil explanation of Filipino problems, they will not be able to focus their full attention on the establishment itself.

Organizations and Leadership

From the beginning, the student movement has suffered from competition between factions, a lack of recognized leaders, and the difficulty that the highly individualistic Filipinos always have in working with each other. Although the students have similar views about what ails the Philippines, they are far from being united about remedies.

It is difficult to fix the numerous Filipino student organizations along an ideological spectrum. Most politically aware students can be considered radical in the sense that they favor sweeping and fundamental change, but moderate in that few are willing to risk their lives or their futures to bring about the change. The students themselves tend to label as moderate any group falling to the right of the Maoist organizations, thus

After A Kabataang Makabayan "Rally" Near US Embassy, 1972

lumping together everyone from the most conservative Roman Catholic group to the student arm of the pro-Soviet Communist Party.

The vast majority of students, of course, are moderates, but their influence is not proportionate to their numbers. The moderate National Union of Students of the Philippines and a number of allied organizations spearheaded student activism in late 1969 and early 1970. They first defined student issues and originated non-violent protest demonstrations. Despite their early ascendency, however, the moderate student leaders were a small elite with little ability or inclination to build a disciplined mass following. When violence broke out during the large-scale demonstrations of early 1970, the moderate leaders disassociated themselves from confrontation tactics, and the radicals quickly assumed unchallenged leadership of the protest movement.

The moderates stood aside as the radicals took the students into the streets, but by the fall of 1970 large-scale demonstrations waned, and the moderates became active in support of a constitutional convention. With the prospect of writing a new constitution that would be a truly Filipino document and reform the political system, the moderates worked hard to elect sympathetic delegates and involved themselves deeply in the formulation of convention issues and alternatives for constitutional reform. But as it became clear that Marcos and the oligarchy would dominate the convention, students rapidly lost interest in what they had once viewed as the greatest political happening since independence. It is getting difficult to find anyone on campus willing to say a good or hopeful word about constitutional reform. The moderates, having identified themselves closely with the principle of reform within the system, now risk being discredited by a constitutional convention that shows little promise of fulfilling even modest reformist expectations.

The bankruptcy of leadership, organization, and issues among the moderates allows the Maoist elements to exercise an influence out of all proportion to their numbers. The Maoist groups take their direction from the Kabataang Makabayan, the principal student front of the underground, pro-Maoist Communist Party of the Philippines/ Marxist-Leninist.

The Kabataang Makabayan, together with its satellite organizations, is the most energetic and hard-working student group in the Philippines, and the one best able to articulate the mood of Filipino students. Because of its activist program and its flamboyant anti-establishment line, it has had a spontaneous appeal on campus. Most politically active students are inclined to romanticize themselves in the role of committed revolutionaries. Its direct and open link with the Marxist-Leninist party and its military arm, the New People's Army, has undoubtedly helped win it a measure of popular support on campus. Even the moderate students seem to hold a vague empathy for the New People's Army leaders and they grudgingly admire the Kabataang Makabayan for its commitment and its willingness to take daring and dramatic action.

Student Poster

Despite its success, the Kabataang Makabayan has significant weaknesses. Even more so than its moderate counterparts, it depends on a small corps of leaders. Over the years, they have grown conspiratorial and have begun to hold themselves more and more aloof from the student masses. Various estimates place the organization's membership somewhere between 3,000 and 12,000; it claims 200 chapters scattered through the Philippines. The militant hard core probably numbers no more than a few hundred.

The Kabataang Makabayan's aggressive promotion of violence during demonstrations of 1970 and 1971, its doctrinaire Maoist propaganda and its continual ideological squabbling with the relatively inactive student arm of the pro-Soviet Philippine Communist Party, have undoubtedly cost it many potential members. The Kabataang Makabayan has failed to develop its own mass following and has therefore had to rely on borrowing from the natural constituencies of the larger moderate organizations. It has been able to attract broad student support only when the issues involved have a general popular appeal, as in the case of recent student demonstrations against the Vietnam war.

Although it has not attracted a mass base of committed followers, it has been the principal beneficiary of the continuing radicalization of Filipino students. The Maoist organizations have been slowly growing despite the relative apathy on the campus. Many moderate activists, who have not yet given up on the system, have drifted away from purely student groups to join the campaigns of other reformist organizations, such as the Federation of Free Farmers. Others are supporting the individual efforts of priest and lay social workers. Students who have become totally alienated from the system are still attracted by the simple, action-oriented solutions of the Kabataang Makabayan and its satellite organizations.

Maoist Strategy and Student Activism

Philippine Maoists at one time saw student activism as the vanguard of the revolution. They thought that a mass student movement, mobilized and directed by them, could paralyze Manila and cause the government to overreact with force, thereby creating a revolutionary situation. The party's emphasis on student activism in the early years was a natural consequence of the fact that the Marxist-Leninist party was created by Maoist student leaders of the Kabataang Makabayan. The Kabataang Makabayan was founded by Jose Maria Sison, a member of the pro-Soviet Communist Party, but in 1969 he broke with the party and formed the Maoist-oriented Marxist-Leninist party.

After forming the new party, Sison's view of the student's role in the revolution began to change. Gradually, he became committed to what he now calls the "proper Maoist strategy" of armed insurrection in the countryside. This change has relegated campus activism to secondary importance. The campus-based Maoists had always propagandized workers, peasants, and other non-student groups. The new emphasis on

building a rural Communist movement has directed the main Maoist energies away from the campus and from Manila. Many student cadre now spend their summer vacation in the provinces, often working in conjunction with the party's para-military arm, the New People's Army.

They work actively with the insurgent army's political units in politicizing peasants and otherwise helping pave the way for the army to spread into new areas. Early in 1972, for instance, two of them were killed in a clash with government forces in the Bicol region of southern Luzon. Given the success the New People's Army has had in extending operations into new areas, the Marxist-Leninist party presumably will continue to emphasize rural operations. It has not disowned campus activities, and it will continue to exploit student activism in Manila, but these activities are apparently now subordinate to the primary goal of rural insurrection.

Inevitably, the redirection of priorities weakened the Maoists on campus; in addition, the government's crackdown against prominent student agitators forced top cadre to go underground. The leadership of campus organizations has, therefore, been inherited by second-echelon cadre. Communication between the present campus leaders and the underground leadership is limited and sporadic.

Despite its present difficulties, the Kabataang Makabayan is still a resilient organization, and will probably remain the single most effective entity in the urban student movement. Despite the Maoists' current preoccupation with rural areas, it seems doubtful that they will sacrifice too many of their urban assets. The Maoists consider urban guerrilla war as a part of proper revolutionary strategy. They almost certainly want to maintain a strong nucleus in Manila, both to prepare for the future and to be in a position to take advantage of opportunities that may arise.

Future Directions

Students are away from campus for the April-July summer vacation. Things are likely to remain reasonably quiet at least until they return, but there are a number of issues that could bring the students back into the streets. The war in Indochina has already precipitated protest rallies during the past week. A scheduled increase in petroleum prices might cause others.

The closing of the constitutional convention in late 1972 or early 1973 will almost certainly stir up the campus if, as expected, it somehow paves the way for Marcos to stay in power. The students are already disillusioned with the convention, and when it is over the moderates may once again be ready to join radicals in mass demonstrations. Anti-Marcos sentiment is the one sure issue on which students can unite. Even if they are handed a provocative issue, however, the student groups still must overcome deficiencies in leadership and organization before they can field a truly effective force for mass action and not just an unruly mob. Moderate student organizations, for example, are so weak that effective direction

Jose Maria Sison

would either have to come from radical organizers or some non-student source.

One such source could be Senator Jose Diokno, a politician who has demonstrated interest in incorporating students into a wider reformist movement. The senator is a political maverick. He is trying to ingratiate himself with the students and convince them he is a genuine drop-out from the establishment and a sincere reformer who means what he says. Should the constitutional convention arouse great public resentment, it might hand Diokno the extra ingredient he needs for success in this endeavor.

Predicting the future course of student activism is complicated by the movement's vulnerability to outside manipulation—by Communists, by the government, and by the anti-Marcos oligarchs. During the past two years, the government has mounted an energetic propaganda and public relations campaign against the Maoist student organizations. Studies documenting the role of the Marxist-Leninist party within the student movement have been released to the public, and government teams have toured the provinces urging parents and school administrators to take a tough line against radical students. At the same time, the government continues the time-honored Philippine practice of trying to buy off opposition. Marcos in the past has tried to play off one student group against another, and it seems likely that plenty of money is still being employed to this end. 25X1

[redacted]

Student activism has not developed into the immediate threat to political stability that seemed possible a year ago. The conditions that led to the violence of 1970-71 have not abated, and a sense of urgency infuses those who wish to change the system. Any of several factors could create a situation favorable to a revival of the radical student movement—an arrogant political decision by President Marcos, a marked increase in Communist insurgency, the sudden deterioration of the economy, or a general rise in urban insecurity. [redacted] 25X1